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**ATTORNEY GENERAL OF TEXAS
GREG ABBOTT****DARREN G. GIBSON**
Assistant Attorney General
General Litigation DivisionPHONE: (512) 463-2120
FAX: (512) 320-0667
EMAIL: Darren.Gibson@oag.state.tx.us**CONFIDENTIAL SETTLEMENT DISCUSSION PURSUANT TO FRCP 68**

May 5, 2010

VIA U.S. MAIL & FACSIMILE (356-428-5518)David R. Joe, Esq.
Anthony & Middlebrook, P.C.
1702 E. Tyler Street, Suite 1
Harlingen, Texas 78550Re: *Martha Muniz v. The University of Texas-Pan American*, Civ. A. No. 7:10-CV-00074,
United States District Court, Southern District of Texas, McAllen Division

Dear Mr. Joe:

I write regarding your letter dated April 29, 2010, regarding potential settlement of this case. This letter, prior settlement discussions, and any further correspondence regarding settlement are deemed confidential and subject to Federal Rule of Civil Procedure 68.

Based on our recent discussions, I think we are extremely close to reaching a settlement. My client, The University of Texas-Pan American ("UTPA"), is willing to settle this matter under the following material terms:

- UTPA would agree to pay Ms. Muniz a gross amount of \$60,000, with 15% of that amount (or \$9,000) attributable to wages requiring withholdings, and the remainder attributable to compensatory damages of mental anguish and attorney's fees.
- In consideration of this settlement amount, Ms. Muniz would release and forever discharge UTPA, The University of Texas System, its Board of Regents, and their component institutions and representatives from any and all claims, demands, actions, and causes of action, and all liability whatsoever as a result of (i) her employment with UTPA and (ii) entering into the settlement agreement, except to enforce the terms of the settlement agreement.
- All court costs and other expenses incurred by Ms. Muniz would be paid by Ms. Muniz or you, as her counsel.

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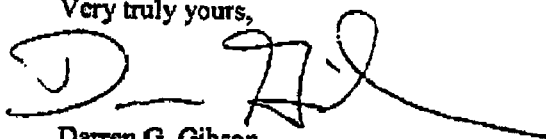
David R. Joe, Esq.
May 5, 2010
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This offer is subject to (i) negotiation and finalization of a more formal Settlement Agreement and Release; (ii) approval of the Office of the Attorney General; and (3) approval of The University of Texas System.

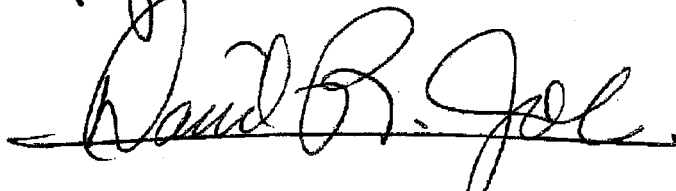
This offer will remain open for one week from today and expires at 5:00 p.m. on May 12, 2010. Please respond to this offer in writing, and please include all material terms of any counter-offer in your written response.

We look forward to hearing from you.

Very truly yours,



Darren G. Gibson
Assistant Attorney General

Agreed:

Attorney for Plaintiff